

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Cotton Market Update

Report Categories:

Agricultural Situation

Cotton and Products

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Report Highlights:

India's 2012/13 cotton production is forecast 1.0 million 480 lb bales higher at 25.5 million bales, as late rains across central India have resulted in higher planted area and improved yield prospects in key cotton producing states.

Cotton Production Forecast Higher

Cotton area continued to expand during September according to the Ministry of Agriculture, rising to 11.4 million hectares. Planting of the winter cotton crop in Tamil Nadu and southern Karnataka is underway and is expected to result in additional plantings of between 50,000 and 100,000 hectares. Total area is estimated at 11.5 million hectares, significantly higher than the latest Cotton Advisory Board estimate of 11.1 million hectares reported in [IN2114](#). After a poor start, monsoon rains were relatively strong across parts of central and southern India, helping to improve soil moisture and support yields for the late-planted cotton crop. Yields are expected to be moderately higher than previously forecast in northern Karnataka, Maharashtra, Gujarat and Madhya Pradesh where irrigation is limited and late rains are expected to support crop development. India's cotton production is now forecast at 33.0 million 170kg bales (25.5 million 480 lb bales).

Table 1: All-India Weekly Cotton Planting Progress

Date	Planted Area (million hectares)	Average area for this week (million hectares)	Percent of Normal
22-Jun-12	2.11	-	-
29-Jun-12	3.14	-	-
6-Jul-12	4.66	-	-
13-Jul-12	6.52	7.04	92.6
20-Jul-12	8.37	9.00	93.0
27-Jul-12	9.72	9.40	103.4
3-Aug-12	10.01	9.99	100.2
9-Aug-12	10.92	9.99	109.3
17-Aug-12	11.03	10.51	104.9
24-Aug-12	11.15	10.58	105.4
31-Aug-12	11.28	10.69	105.5
7-Sep-12	11.35	10.73	105.7
14-Sep-12	11.44	10.82	105.8
24-Sep-12	11.49	10.86	105.8

Source: Ministry of Agriculture, Government of India

TABLE 2. AREA, PRODUCTION & YIELD OF COTTON IN MAJOR STATES (AREA THA, PRODUCTION THOUSAND BALES OF 170 KGS, YIELD KGS/HA)					
		Final	Final	Estimated	Forecast
STATE		2009/10	2010/11	2011/12	2012/13
Maharashtra	Area	3,503	3,932	4,125	4,092
	Production	6,575	8,200	6,825	7,600
	Yield	319	355	281	316
Gujarat	Area	2,625	2,633	2,962	2,400
	Production	9,800	10,300	11,680	9,200
	Yield	635	665	670	652
Madhya Pradesh	Area	611	650	706	750
	Production	1,525	1,700	1,730	1,350
	Yield	424	445	417	306
Punjab	Area	511	530	560	516
	Production	1,300	1,600	1,600	1,650
	Yield	432	513	486	544
Haryana	Area	507	492	641	603
	Production	1,525	1,400	2,200	2,100
	Yield	511	484	583	592
Rajasthan	Area	444	335	470	449
	Production	1,200	900	1,590	1,200
	Yield	459	457	575	454
Andhra Pradesh	Area	1,475	1,784	1,879	2,022
	Production	5,450	5,300	4,950	5,500
	Yield	628	505	448	462
Karnataka	Area	455	545	554	441
	Production	1,225	1,000	1,290	950
	Yield	458	312	396	366
Tamil Nadu	Area	104	122	133	100
	Production	500	500	430	420
	Yield	817	697	550	714
Others	Area	75	119	148	143
	Production	200	400	395	400
	Yield	453	571	454	476
Loose	Production	1,200	2,610	2,610	2,600
All-India	Area	10,310	11,142	12,191	11,516
	Production	30,500	33,910	35,300	32,970
	Yield	503	517	493	487

Source: Cotton Advisory Board as of August, USDA Mumbai for 2012/13 production estimates

Exports Unchanged, Imports Lower

Preliminary official data for March through June suggest that 2011/12 (Aug/Jul) exports were nearly 14.2 million 170 kg bales, 300,000 bales higher than the previous FAS Mumbai estimate of 13.9 million 170 kg bales.

However, given the tendency for these preliminary data to overstate exports, FAS Mumbai recommends holding the 2011/12 estimate at 13.9 million 170 kg bales (10.9 million 480 lb bales) pending final official monthly data. The FAS Mumbai estimate is higher than the USDA Washington estimate of 10.5 million 480 lb bales.

Cotton imports during June and July appear to have fallen short of industry expectations and 2011/12 imports are estimated 200,000 480 lb bales lower. Higher 2012/13 production is forecast to lead to lower imports of 600,000 480 lb bales.

Table 3: Estimate of 2011/12 Cotton Exports

	170 kg	Metric Tons	480 lb
August	441,476	75,051	344,609
September	939,759	159,759	733,560
October	696,288	118,721	545,127
November	2,090,465	355,379	1,631,781
December	1,620,265	275,445	1,264,751
January	2,524,847	429,223	1,970,848
February	2,325,259	395,294	1,815,058
Official Subtotal Aug-Feb 1\	10,638,359	1,808,521	8,304,125
March	530,147	90,125	413,824
April	1,395,535	237,241	1,089,327
May	819,718	139,352	640,038
June	577,018	98,093	450,538
Preliminary Subtotal Mar-Jun 2\	3,322,418	564,811	2,594,027
Estimated Exports July 3\	200,000	34,000	156,116
Total	14,160,777	2,407,332	11,054,268

1\ Official subtotal reflects estimates from the Directorate General of Foreign Trade, for Harmonized Tariff Schedule code 5201 – raw cotton.

2\ Preliminary official data from the Directorate of Commercial Intelligence and Statistics. These data are subject to revision, but are considered a fairly reliable predictor of final official data.

3\ FAS Mumbai estimate

Table 4: Estimate of 2011/12 Cotton Imports

	170 kg	Metric Tons	480 lb
August	8,735	1,485	6,820
September	2,518	428	1,966
October	12,647	2,150	9,875
November	14,665	2,493	11,450
December	12,847	2,184	10,031
January	37,759	6,419	29,482
February	81,771	13,901	63,847
Official Subtotal Aug-Feb 1\	170,942	29,060	133,472
March	97,824	16,630	76,381
April	97,018	16,493	75,752
May	81,147	13,795	63,360
June	35,682	6,066	27,861
Preliminary Subtotal Mar-Jun 2\	311,671	52,984	243,354
Estimated Imports Jul 3\	30,000	5,100	23,424
Total	512,613	87,144	400,250

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3\ FAS Mumbai estimate

Table 5: Monthly Cotton Consumption by the Textile Sector
(Million 170 kg bales)

	2009/10	2010/11	2011/12
Aug	1.859	2.173	1.806
Sep	1.829	2.143	2.167
Oct	1.812	2.209	1.768
Nov	1.847	2.110	1.817
Dec	1.949	2.257	2.007
Jan	1.954	2.210	2.039
Feb	1.881	2.023	2.026
Mar	2.001	2.176	2.028
Apr	2.053	2.017	2.022
May	2.093	1.864	2.138
Jun	2.071	1.823	2.085
Jul	2.211	1.898	2.115
Total	23.56	24.90	24.12

- Does not include annual loss estimates of 1.7, 2.0 and 1.6 million bales respectively.

Additional Revisions

- USDA Mumbai is again recommending revised 2010/11 import and export estimates based on official trade data.
- The 2010/11 consumption figure reflects revised official data.
- FAS Mumbai continues to recommend lower forecast consumption for 2012/13.

Cotton India	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	11,140	11,140	12,200	12,191	11,500	11,500
Beginning Stocks	9,374	5,922	9,924	6,912	7,674	4,062
Production	26,400	26,400	27,500	27,500	24,500	25,500
Imports	450	190	600	400	1,000	600
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	36,224	32,512	38,024	34,812	33,174	30,162
Exports	6,000	5,000	10,500	10,900	3,500	3,500
Use	20,700	21,000	20,100	20,100	21,500	21,000
Loss	-400	-400	-250	-250	0	0
Total Dom. Cons.	20,300	20,600	19,850	19,850	21,500	21,000
Ending Stocks	9,924	6,912	7,674	4,062	8,174	5,662
Total Distribution	36,224	32,512	38,024	34,812	33,174	30,162

1000 HA, 1000 480 lb. Bales, PERCENT, KG/HA